



## Economic and Revenue Forecast Council

**EMBARGOED** until November 19, 2014 10:00 am PDT when it will be released at [www.erfc.wa.gov](http://www.erfc.wa.gov)

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### Revenue Forecast Reflects Modest Improvements in Economy

OLYMPIA, November 19, 2014 – Overall adjustments to the revenue forecast are small, reflecting slight changes in the state's economic forecast. Changes to the current and 2015-17 biennia each amounted to less than one percent of forecast revenue.

We expect the moderate pace of the economic recovery to continue in both the U.S. and Washington economies. Factors outside the state account for the high level of risk to the forecast, including slowing Chinese, Japanese and European economies.

Revenue Act collections in the current biennium are expected to increase by \$70 million above the September forecast, with the recent forecast variance tempered by the negative impact of lower oil prices on petroleum-related business and occupations tax collections. The elevated level of high-value commercial real estate sales is expected to diminish at a slower rate than predicted in September, resulting in a forecast increase of \$31 million in real estate excise taxes in the current biennium.

The net forecast change for the 2013-15 biennium is an increase of \$107.9 million. Forecasted GF-S revenue for the biennium is now \$33.440 billion, which is 9.1% higher than collections in the 2011-13 biennium. The net forecast change for the 2015-17 biennium is an increase of \$241.3 million. Forecasted GF-S revenue for the biennium is now \$36.319 billion, which is 8.6% higher than forecasted revenue in the current biennium.

#### **Forecast of GF-S Revenue (probabilities in parenthesis): 2013-15**

**Baseline (55%):** \$33.440 billion; \$108 million higher than the previous forecast.

**Optimistic (20%):** \$34.110 billion; \$670 million more than the baseline forecast.

**Pessimistic (25%):** \$33.373 billion; \$66 million less than the baseline forecast.

**Governor's Council of Economic Advisors' assumptions:** \$33.345 billion; \$6 million higher than the baseline forecast.

Please see our full report for more information. You can access this report at:  
[http://www.erfc.wa.gov/forecast/documents/rev20141119\\_color.pdf](http://www.erfc.wa.gov/forecast/documents/rev20141119_color.pdf)

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#### **About the ERFC:**

The ERFC was established under RCW 82.33 to provide the Governor and the Legislature with official independent and professional forecasts of the state economy and revenues.